



Health Capsule

The Division of Pensions and Benefits ♦ For State Employees ♦ Issue #14

SHBP Open Enrollment for Plan Year 2003

The State Health Benefits Program (SHBP) Open Enrollment period is your annual opportunity to review your health, prescription drug, and dental benefits, and to make any coverage changes for you and your dependents. **This year's Open Enrollment will be held for all eligible State employees from October 1 through October 31, 2002.** Coverage changes made during this Open Enrollment will be effective on December 28, 2002 for State employees paid by the State's Centralized Payroll Unit, and January 1, 2003 for all other State employees.

The Open Enrollment period is your chance to examine your health care coverage and make sure that the services you need and the health care providers you want are available to you. You may:

- ♦ enroll in a plan offered by the SHBP if you have not previously done so;
- ♦ change to a different health and/or dental plan;
- ♦ add eligible dependents you have not previously enrolled; and
- ♦ drop dependents (this can also be done at any time during the year).

To make a change to your coverage, contact your Human Resources representative or benefits administrator to obtain an application. Health and/or prescription drug coverage changes are made on the same application. Dental coverage changes are made on a separate application. Completed applications must be returned to your Human Resources representative or benefits administrator by October 31, 2002.



Fall 2002

CONTENTS

SHBP Open Enrollment for Plan Year 2003	1
Changes to SHBP Medical Plans	1
Dental Program Update	2
Prescription Drug Coverage	2
Tax\$ave 2003	2
COBRA - Dependents Turning Age 23 in 2002	3
Revised SHBP Publications	3
Premium Sharing ..	4
Web-based Presentations for Open Enrollment	4

Changes to SHBP Medical Plans

Since the last issue of *Health Capsule*, the following changes to the health plans have taken place:

Aetna US Healthcare — As of May 1, 2002 Aetna US Healthcare changed its name to **Aetna Health**. Members who join Aetna during the Open Enrollment, make coverage changes, or add a dependent will receive a card with the new logo. Members previously enrolled in the plan should continue to use cards with the former Aetna US Healthcare logo until further notice. Aetna will send you new cards whenever there is a change in your coverage.

University Health Plans (UHP) — terminated its participation in the SHBP effective August 1, 2002. Employees and retirees previously enrolled in UHP were contacted individually and given an opportunity to transfer to another SHBP participating health plan.

(continued on page 3)

Dental Program Update

The following items reflect recent changes to the Dental Plan Organizations and the Dental Expense Plan:

Dental Plan Organizations

- ◆ **Protective DentalCare of New Jersey, Inc.** — joined with the Fortis Benefits Insurance Company on December 31, 2001. Effective June 29, 2002 the name of the company became **Fortis Benefits DentalCare of New Jersey, Inc.** For more information call 1-800-443-2995 or visit them on the Web at www.fortisbenefitsdental.com
- ◆ **Dental Group of New Jersey, Inc.** — has rejoined the State Employee Group Dental Program for plan year 2003 and is available for selection during this Open Enrollment. For more information, contact Dental Group of New Jersey, Inc. at (908) 925-6022.

Dental Expense Plan

- ◆ **Aetna US Healthcare** — the administrator of the Dental Expense Plan, changed its name to **Aetna Dental** effective May 1, 2002.
- ◆ **Predetermination of Costs** — If your Dental Expense Plan treatment includes charges for **crowns, inlays, onlays, periodontics, prosthodontics, orthodontics**, you **must** obtain approval in advance from Aetna, regardless of cost. Without advance approval, these services will not be reimbursed. For other services that are expected to cost more than \$300, it is recommended that your dentist file for predetermination of benefits with Aetna. For more information, contact Aetna at 1-877-238-6200.

Prescription Drug Coverage

On July 1, 2002 **AdvancePCS** began administering prescription drug benefits for employees enrolled in the Employee Prescription Drug Plan. New identification cards were mailed to employee home addresses in June 2002. AdvancePCS manages a comprehensive retail pharmacy network, providing online claims processing, mail order, and formulary management services. Members are able to fill prescriptions and obtain drug and other health care information through AdvancePCS' award-winning Web site, www.AdvanceRx.com. Over 96 percent of the pharmacies in New Jersey and nationwide participate with AdvancePCS. In the event a pharmacy does not participate with AdvancePCS, members should pay for the prescription and file a claim with: AdvancePCS, P.O. Box 853901, Richardson, TX 75085-3901 for reimbursement.

Tax\$ave 2003

Use Before-tax Dollars to Pay for Qualified Health Care Expenses

Tax\$ave is a benefit program designed to provide State employees with the option to set aside before-tax dollars to pay for qualified medical, dental, and dependent care expenses. During Open Enrollment, any employee of the State, State college or university, or other State agency who is eligible to participate in the SHBP can also participate in Tax\$ave. A benefit program defined by Section 125 of the federal Internal Revenue Code, Tax\$ave is your opportunity to save tax dollars in the 2003 tax year.

With Tax\$ave an eligible employee may choose to par-

ticipate in any or all of the following plans: the **Premium Option Plan**, and two Flexible Spending Accounts — the **Unreimbursed Medical Spending Account** and the **Dependent Care Spending Account**.

For more information, see the Tax\$ave 2003 Open Enrollment information that was distributed with your September 13 paycheck, see your Human Resources representative, or visit the Division of Pensions and Benefits' Tax\$ave Internet page at:

www.state.nj.us/treasury/pensions/taxsave.htm

COBRA — Dependents Turning Age 23 in 2002

Does your dependent child turn age 23 during the year 2002? A dependent child who is age 23 as of December 31 will automatically be deleted from your coverage. However, overage children may continue the same group coverage at their own expense and for a limited time under the provisions of the federal COBRA law*. To ensure receipt of a COBRA notice and application, you must notify your Human Resources representative if your dependent is no longer eligible for your coverage because of age, marriage, or becoming independent of you.

Under COBRA, your overage dependent can continue coverage for up to 36 months. The dependent will be billed once a month for the COBRA premium (cost plus a two percent administrative charge). Dependents may enroll in any of the health or prescription drug benefits for which they were eligible at the time their eligibility as a dependent ended.

To enroll, under the provisions of COBRA law, your dependent child must submit a completed COBRA appli-

cation within 60 days of the latter of the date your employer provides you with a COBRA notice or the end of their dependent coverage.

Overage dependents with disabilities

Unmarried children with disabilities who turn age 23 in 2002, and who are still dependent on you for support, may remain on your health plan upon approval of their disabled status. Requests for the continuation of coverage must be sent to the SHBP by the January 31, 2003 deadline.

To apply for an extension of health benefits coverage for a dependent with disabilities, write to the Division of Pensions and Benefits, State Health Benefits Program, PO Box 299, Trenton, NJ 08625-0299 or call (609) 292-7524. Please provide your name, address, and Social Security number, as well as your dependent's name and date of birth, and ask for the *Request for Continuance for Dependents with Disabilities* form.

*The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985.

Revised SHBP Publications

The Division of Pensions and Benefits has revised the *Summary Program Description (SPD)* and the *SHBP Plan Comparison Chart* for the 2003 Open Enrollment.

- ◆ The *Summary Program Description (SPD)* provides information about all of the health plans participating in the SHBP and the benefits that they offer.
- ◆ The *SHBP Plan Comparison Chart*, your "map" to your health benefits, is an outline of the SHBP. A quick-reference summary of each health plan is offered within a large chart that allows you to compare specific benefits among plans.



Copies of the *SPD* and comparison chart will be available from your Human Resources representative or benefits administrator during the Open Enrollment period. These publications can also be viewed online at the Division's Internet site at: www.state.nj.us/treasury/pensions/shbp.htm

Changes to SHBP Medical Plans

(continued from page 1)

Health Net — pending approval by the State Health Benefits Commission, Health Net will expand its service area into parts of Pennsylvania effective January 1, 2003. The service area will include the following counties: Bucks, Carbon, Chester, Delaware, Lackawanna, Lehigh,

Luzerne, Monroe, Montgomery, Northampton, Philadelphia, and Pike. For more information, contact Health Net's customer service department at 1-800-441-5741.

Premium Sharing

Rate charts will be distributed to employees paid through the Centralized Payroll Unit with the September 27 paychecks. All other employees will receive rate information from their Human Resources representative or benefits administrator prior to the Open Enrollment period. The charts include the cost of all the medical plans for each coverage level for those employees whose union contract calls for premium sharing and for employees not eligible for union representation. The premium sharing amounts will remain in effect until July 2003 or until a new contract is settled.

There is no premium cost to any employee who enrolls in NJ PLUS. Employees pay five percent of the premium cost if enrolled in an HMO or 25 percent if enrolled in the Traditional Plan. These percentages apply regardless of salary level or date of hire. If you are unsure of your contract affiliation or have other questions about premium sharing, contact your union representative or Human Resources representative.

Premium Sharing and the Premium Option Plan

If you pay a share of the SHBP premium and participate in the State's Premium Option Plan (POP), your premium sharing amounts are paid from your pre-tax income. This reduces your taxable income and results in a savings of federal income tax, along with Medicare and Social Security taxes, that helps to offset the cost of the shared premiums and puts that income back into your pocket.

Enrollment in the POP is automatic (unless you decline enrollment by completing a *POP Declination* form). By declining POP, you are choosing to pay more in taxes than those who participate in POP*. For more information about the Premium Option Plan and other Tax\$ave programs see your Human Resources representative or visit the Division of Pensions and Benefits' Tax\$ave Internet page at: www.state.nj.us/treasury/pensions/taxsave.htm

**For employees approaching Social Security age, participation in POP may reduce your Social Security wage base and slightly affect your Social Security payments when you eventually collect them. However, declining POP may not be a wise financial decision for you.*

New Jersey SHBP

Health Capsule

Division of Pensions
and Benefits
(609) 292-7524

www.state.nj.us/treasury/pensions

Health Capsule is published periodically for State employees and is designed to keep employees informed about developments in their health benefits program. The newsletter will address issues affecting your health, prescription, and dental benefits and will include articles on new or proposed legislation, NJ Administrative Code changes, decisions of the Health Benefits Commission, and national issues affecting our programs.

The selections in this publication are for information purposes only and, while every attempt at accuracy is made, it cannot be guaranteed.

If you would like to see any particular health benefits issue addressed, please forward your ideas to Health Capsule, Division of Pensions and Benefits, Office of Client Services, P.O. Box 295, Trenton, NJ 08625-0295.

Thomas P. Bryan
Director

*Division of Pensions
and Benefits*

Florence J. Sheppard
Assistant Director
Health Benefits

Steven R. Stokley
Senior Editor
Publications

Helen C. Benjamin
Editor
Publications

Phyllis A. Schroeder
Layout
Publications

Web-based Presentations for Open Enrollment

The SHBP is providing an Internet based presentation to inform members about the SHBP Open Enrollment. This presentation highlights key benefits offered by the SHBP health plans, Open Enrollment dates, and links to additional resources for Open Enrollment materials and information.

The Open Enrollment presentations can be viewed 24 hours a day, seven days a week, through a link at www.state.nj.us/treasury/pensions/shbp.htm. Follow the link to the Internet presentations in the "Open Enrollment" section on the SHBP home page.